

ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

SEC FILE NUMBER	
8 -	41938

FACING PAGE  
Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/03 AND ENDING 12/31/03  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

Financial Consultant Group, LLC

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

830 Morris Turnpike

(No. and Street)

Short Hills

(City)

New Jersey

(State)

THOMSON  
FINANCIAL

07078

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Kenneth Gilmore

(973) 379-7484

(Area Code -- Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Rothstein, Kass & Company, P.C.

(Name -- if individual, state last, first, middle name)

85 Livingston Avenue

(Address)

Roseland

(City)

New Jersey

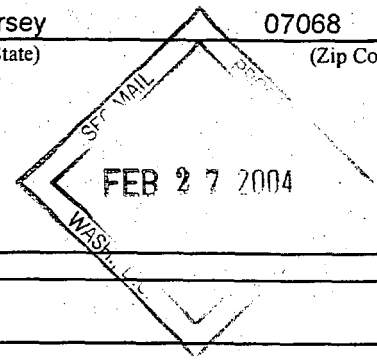
(State)

07068

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant
- ☐ Public Accountant
- ☐ Accountant not resident in United States or any of its possessions



FOR OFFICIAL USE ONLY

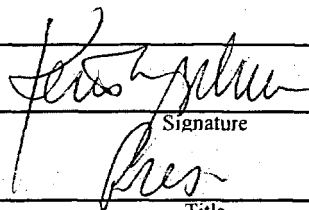
\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

BB

I, Kenneth Gilmore, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Financial Consultant Group, LLC, as of December 31, 2003, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

  
Signature

Title

Notary Public

This report\*\* contains (check all applicable boxes):

- ☒ (a) Facing page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- ☒ (o) Independent auditor's report on internal accounting control.
- ☐ (p) Schedule of segregation requirements and funds in segregation--customers' regulated commodity futures account pursuant to Rule 171-5.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

**FINANCIAL CONSULTANT GROUP, LLC**

**STATEMENT OF FINANCIAL CONDITION  
AND  
INDEPENDENT AUDITORS' REPORT**

**DECEMBER 31, 2003**

# FINANCIAL CONSULTANT GROUP, LLC

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## INDEPENDENT AUDITORS' REPORT

To the Members of  
Financial Consultant Group, LLC

We have audited the accompanying statement of financial condition of Financial Consultant Group, LLC (the "Company") as of December 31, 2003. This statement of financial condition is the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial condition presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of Financial Consultant Group, LLC as of December 31, 2003, in conformity with accounting principles generally accepted in the United States of America.

*Rothstein, Kass & Company, P.C.*

Roseland, New Jersey  
January 20, 2004

# FINANCIAL CONSULTANT GROUP, LLC

## STATEMENT OF FINANCIAL CONDITION

December 31, 2003

### ASSETS

Cash and cash equivalents	\$ 216,880
Receivable from clearing broker	164,542
Equipment, net	10,431
Other assets	<u>53,521</u>
	<u>\$ 445,374</u>

### LIABILITIES AND MEMBERS' EQUITY

#### Liabilities

Commissions payable	\$ 27,325
Accounts payable and accrued expenses	<u>82,142</u>
Total liabilities	109,467

#### Commitments and contingencies

Members' equity	<u>335,907</u>
	<u>\$ 445,374</u>

# FINANCIAL CONSULTANT GROUP, LLC

## NOTES TO FINANCIAL STATEMENTS

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### 1. Nature of operations

Financial Consultant Group, LLC (the "Company") is a limited liability company which is an introducing broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of the National Association of Securities Dealers, Inc. (NASD).

### 2. Summary of significant accounting policies

#### *Cash and Cash Equivalents*

The Company considers all highly-liquid instruments purchased with a maturity of less than three months to be cash equivalents.

#### *Equipment*

Equipment is stated at cost less accumulated depreciation. The Company provides for depreciation using the declining-balance method over 5-7 years.

#### *Securities Transactions*

Securities transactions and related income and expenses are recorded on a trade-date basis.

#### *Income Taxes*

The Company is treated as a partnership for federal and state income tax purposes and, therefore, does not record a provision for income taxes. Accordingly, the individual members report their share of the Company's income or loss on their personal income tax returns.

#### *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

# FINANCIAL CONSULTANT GROUP, LLC

## NOTES TO FINANCIAL STATEMENTS

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### 3. Equipment

Details of equipment at December 31, 2003 are as follows:

Furniture and fixtures	\$ 70,406
Computer equipment	<u>116,056</u>
	186,462
Less accumulated depreciation	<u>176,031</u>
	<u>\$ 10,431</u>

### 4. Commitments and contingencies

The Company is obligated under two office leases expiring through November 2005. In addition to the base rent, the leases provide for the Company to pay property taxes and certain operating expenses.

Future aggregate minimum annual payments under these leases are approximately as follows:

Year ending December 31,	
2004	114,000
2005	<u>20,000</u>
	<u>\$ 134,000</u>

The Company sublets portions of its rented property. Minimum sublease income of approximately \$51,000 is expected to be collected in the subsequent year. Rent expense for the year ended December 31, 2003 was approximately \$154,000.

### 5. Net capital requirements

The Company is a member of the NASD and is subject to the SEC Uniform Net Capital Rule 15c3-1. This rule requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 and that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. At December 31, 2003, the Company's net capital was approximately \$270,000, which was approximately \$170,000 in excess of its minimum requirement of \$100,000.



### **6. Exemption from Rule 15c3-3**

The Company is exempt from SEC Rule 15c3-3 and, therefore, is not required to maintain a "Special Reserve Bank Account for the Exclusive Benefit of Customers."

### **7. Off-balance-sheet risk and concentration of credit risk**

Pursuant to a clearance agreement, the Company introduces all of its securities transactions to its clearing broker on a fully-disclosed basis. Therefore, all of the customers' money balances and long and short security positions are carried on the books of the clearing broker. Under certain conditions as defined in the clearance agreement, the Company has agreed to indemnify the clearing broker for losses, if any, which the clearing broker may sustain from carrying securities transactions introduced by the Company. In accordance with industry practice and regulatory requirements, the Company and the clearing broker monitor collateral on the securities transactions introduced by the Company. In addition, the Company must maintain at least \$100,000 net capital with the clearing broker.

All of the Company's securities transactions and the receivable from the clearing broker at December 31, 2003 are pursuant to this clearance agreement.